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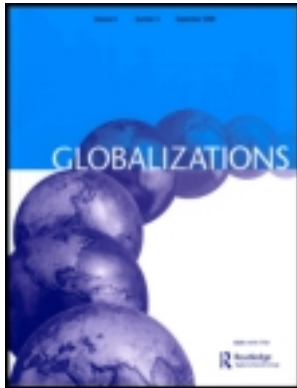
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The Rebound of the Capitalist State: The Rearticulation of the State-Capital Nexus in the Global Crisis

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PREFACE

The Rebound of the Capitalist State: The Rearticulation of the State–Capital Nexus in the Global Crisis

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With the financial crisis and the shockwaves it has sent through the global system many argue that we are witnessing the end of an era: a simultaneous crisis of neoliberal globalization and a crisis of US hegemony in the context of a power shift towards the East and attendant new geopolitical rivalries. The economic crisis has raised the question of whether we are witnessing the transition to a new phase of global capitalism. Many observers have interpreted the turn of events over the past decade as the death struggle of the neoliberal project, and as signaling a return of the state and of statist regulation to the center stage of global capitalism. Indeed, in recent years we have been able to observe two trends that appear to lend support to this notion.

First, in the crisis-ridden core of the global economy, a full-blown depression was only averted by the state taking over the reins of capital, saving the hypertrophied financial sector from collapse by huge bail-outs or even outright nationalization, and subsequently by unprecedented ‘stimulus programs’ sustaining overall demand where ‘the market’ was unable to. Subsequently, the financial crisis has morphed into a sovereign debt crisis enveloping nearly all of the developed capitalist countries. In the Eurozone in particular, the crisis is raising the question of the relationship between capital and the state with ever more clarity: who is the real sovereign? So far, European politics has been unable and/or unwilling to challenge the sovereignty of capital: ‘financial markets’ rule, politics kowtows to this sovereign in fearful reverence. But the voters in Europe seem to be on the verge of challenging the sovereignty of capital, thus also again putting the nature of the state–capital nexus on the political agenda.

Second, countries outside the core, such as Brazil, India, and especially China, appear to have escaped relatively unscathed from the crisis, or at least have continued their economic and political rise arguably challenging the hegemony of the West. The role of the state in steering these economies through the crisis and forward onto their developmental path has been unmistakable. Moreover, these and other rising ‘Southern’ states are the home to often state-owned or

state-controlled corporations that guided by the state are increasingly becoming global players in the world market. Even if the so-called BRICS are by no means revolutionary powers bent on overturning the capitalist order, they do increasingly challenge the distribution of power within that order. This is of course primarily true of China, which is—withstanding its huge vulnerabilities and continued weaknesses—slowly but consistently building up its economic, technological, and strategic weight.

These two trends together might be interpreted to herald not only a fundamental power shift and transition towards a more multipolar world order but also a transformation of the global political economy with respect to the relationship between state power on the one hand and capital on the other. The *state–capital nexus*—the complex and multifaceted internal relationship between capital and state in the global capitalist system—has indeed undergone a few deep transformations in the history of capitalism in the core of the system: from the nexus between mercantile capital and the absolutist state in the seventeenth and eighteenth centuries to the liberal state and early industrial capital in the nineteenth century, to the nexus between late industrial capital and the emerging welfare state in the phases of monopoly capitalism and corporate liberalism in the first three quarters of the twentieth century, to finally the nexus between financial capital and the neoliberal state in the last four decades.

The central point of departure for this special issue of *Globalizations* is the question to what extent recent shifts in the role of the state within global capitalism, shifts that have manifested themselves since the turn of the millennium but that are accelerated and deepened and arguably take on a new shape in the context of the global crisis, represent another fundamental rearticulation of the state–capital nexus, and what the nature and possible implications of such a transformation may be. In what follows this special issue will examine different aspects of this changing state–capital configuration within a wide range of settings, from the emerging states in the (former) periphery to the European Union and the still imperial US.

In their introductory article, Bastiaan van Apeldoorn, Naná de Graaff, and Henk Overbeek elaborate on the question above by seeking to conceptualize the role of the state in capital accumulation in general and then examining how this role may be changing within the global political economy. Examining the changing state–capital nexus in both the North Atlantic area and in the global South their overall conclusion is that while this nexus is being rearticulated this does not yet constitute a fundamental transformation. Although the state has come to the rescue of capital throughout the West, and is playing a key role in developmental strategies in several emerging states in the South—which are making their mark through globalizing yet state-owned corporations—this as such does not slowdown let alone reverse the deepening commodification bound up with the globalization of capital.

Stefan Schmalz and Matthias Ebenau provide an empirically rich contribution to the question of how the state–capital nexus is reconfigured in the context of the global crisis in three major rising powers (Brazil, India, and China). Their article makes a comparative analysis of the varied ways in which neoliberalism has developed within these three countries and, subsequently, how the global economic crisis has impacted upon these trajectories. Their conclusion is that we will be seeing increasingly divergent pathways within these countries, but not any transformation beyond the broader confines of neoliberalism and its ‘variegated’ state–capital relations.

Kees van der Pijl takes on the issue of to what extent and how China emerges as a contender state vis-à-vis the West as the historical heartland of liberal capitalism. Van der Pijl’s point of departure is that China’s state–society complex, in spite of its embrace of the market, remains distinct from the West inasmuch as it is the state and the state class that drives social development forward. As such, the sovereignty of capital that characterizes the West has not yet been

established. Van der Pijl from this perspective concludes that if the Chinese state class is to avoid dispossession and is to succeed in challenging Western hegemony (rather than being absorbed by it) it needs to revert to building state socialism.

Herman Schwartz challenges the commonsense understanding of sovereign wealth funds (SWFs) as instruments of state capitalism reversing decades of neoliberal privatization. SWFs are political creations and thus instruments to generate or maintain forms of power. Schwartz then goes on to distinguish and analyze three main types of SWFs. First, SWFs can be instruments to constrain individually rational profit seeking in pursuit of longer term collective interests (e.g. Norway). Secondly, the developmental SWF serves as an instrument of state-building in a society where a developed indigenous bourgeoisie is missing (e.g. Singapore or China). Finally, SWFs can also be the instruments, in patrimonial states, for personal capital accumulation. This form constitutes 'political capitalism' (Weber) *in optima forma*.

Naná de Graaff analyzes that other recent manifestation of 'statist capitalism', namely state-owned national oil companies (NOCs). In the past decade, as she shows, the global energy order has been characterized by two seemingly contradictory trends: a trend towards intensified 'resource nationalism' and geopolitical rivalry on the one hand, and a trend (continuing from the 1980s and 1990s) of deepening transnationalization on the other. Non-Western NOCs have recently become more powerful actors in the global energy markets, often quite clearly operating in the context of state-directed development strategies, but they simultaneously intensify their links and cooperation with the traditional Western oil majors, the international oil companies (IOCs). The article then presents a conceptual framework which helps to make sense of this paradox. Her conclusion is that we are moving towards a more hybrid and multipolar global energy order; a transformation that is rooted in the contradictions of global capital accumulation—in particular its expansive and statist dimension.

Ulrich Brand and Markus Wissen advance the innovative concept of an 'imperial mode of living' to explain the persistence of neoliberalism and its state–capital relations, in spite of the severe challenges these encounter; the multiple crises of, for example, the power shift towards the global South and the deepening ecological crisis. The concept refers to dominant patterns of production, distribution, and consumption, crucially secured and universalized by the state, that are deeply rooted in the everyday practices of the upper and middle classes of the global North and increasingly in the emerging countries of the global South. It is in particular this latter aspect, Brand and Wissen argue, that makes the neoliberal–imperial constellation so resilient.

Susanne Soederberg looks at the nexus between global capital and the neoliberal Mexican state and argues that a crucial component of that state—what she calls the debtfare state—has been critical not only in supporting a debt-driven accumulation strategy marked by a growing dependence on the United States and global capital flows, but also in facilitating (global/US) capital to pursue aggressive strategies of accumulation of dispossession. She illustrates how in Mexico this takes place through the extension of consumer credit to the relative surplus population, exposing and integrating spaces of informality into different facets of the capitalist market, i.e. the credit system, without including them inside the capital relation.

Laura Horn departs from the premise that in order to come to a comprehensive understanding of the changes in the balance of class forces and the state–capital nexus, we should also look at the relations between the state and labor. In particular, the aim of this article is to examine the role of trade unions within the European form of state in processes of class struggle over the socio-economic order in the EU. Analyzing the role and strategies of organized labor this contribution examines the shifts and continuities in its position as it has moved from underwriting

the neoliberal integration project to an increasingly critical relationship with the European state formation in the context of financial and economic crisis.

Bastiaan van Apeldoorn and Naná de Graaff analyze the role of the US state–capital nexus in what they call America’s Open Door imperialism. Arguing that the US state has since long played an essential role in enabling US capitalist expansion they seek to explain this by focusing on the networked nexus between the US state and America’s corporate elite. It is because of this close state–capital nexus that the US is likely to seek to maintain its global Open Door empire in spite of rising costs and increasing challenges due to the structural shifts in the global political economy.

Martijn Konings, finally, examines the contradictory attitude of US right-wing populist movements—exemplified by the Tea Party—vis-à-vis the state; a paradoxical back-and-forth between resentment and redemption. Rather than dismissing this contradiction as irrational, Konings argues that we need to take the affective charge of these populist neoliberal discourses seriously and acknowledge how democracy has played a role in restoring the institutional parameters that bind the operation of the American state to the expanded reproduction of financial capital.

We are very grateful to the conscientious referees who generously provided the contributors with very helpful comments and incisive criticisms. We would also like to thank the editor of this journal, Barry Gills, for his enthusiastic support for this project and his helpful support and encouragement throughout the process.

Bastiaan van Apeldoorn, Naná de Graaff, and Henk Overbeek
Amsterdam, May 2012